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E.O. 12958: N/A  
TAGS: [LG](#) [MARR](#) [NATO](#) [PGOV](#) [PREL](#) [MASS](#)  
SUBJECT: RESPONSE TO REQUEST FOR GUIDANCE ON LATVIA,S  
WAVERING ON STRATEGIC AIR CONSORTIUM (SAC)

REF: RIGA 391

¶1. (U) This is an action request - see Para 2.  
Department requests that post provide Latvian  
response via front channel message.

¶2. (SBU) In response to reftel request for guidance,  
Department provides the following points for post to raise at  
the earliest opportunity with the Latvian government  
concerning Latvia,s continued participation in NATO,s  
Strategic Airlift Capability (SAC). This language has been  
cleared by the Department of Defense.

#### Talking Points

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-- At the Bucharest Summit, all NATO Heads of State and  
Government reaffirmed the transformational nature of the  
Strategic Airlift Capability (SAC) and its importance to NATO  
and individual Allies. Since that time, ten nations,  
including Latvia's immediate NATO neighbors, have signed the  
SAC Memorandum of Understanding (MOU).  
-- We value the participation by nations such as Latvia in  
the SAC Consortium. It provides a vehicle for smaller nations  
to acquire a vitally needed capability that would be  
difficult to acquire on their own. It embodies the principle  
of burden sharing which is essential to NATO's continued  
viability.  
-- Latvia and other European members of SAC will benefit  
significantly from this program. It promises to provide each  
participant with the capability to project influence  
globally; build skill sets alongside U.S. airmen; improve  
national lift capabilities; and enable Allies to provide a  
critical and badly needed capability to NATO.  
-- On (long term) cost and capability basis, the C-17  
provided through SAC far exceeds capabilities other strategic  
lift options (e.g. renting Ukrainian lift) could provide to  
Latvia.  
-- We hope you consider all these benefits and agree that the  
Latvian share of investment and running costs would be money  
well spent. We understand the financial challenges involved  
in participation, but would point out that there has been no  
change in estimated costs since the SAC MOU was released in  
February. The individual item costs are not static, but the  
Cost Target and Cost Ceiling are set in the MOU. We look  
forward to your decision enabling the SAC to succeed.  
(If raised)  
-- If Latvian officials make the argument that the USG is  
motivated by the prospect of providing business to a U.S.  
firm, please point out that: 1) the modest additional  
business (2 out of more than 210 confirmed orders) for Boeing  
resulting from SAC provides relatively little benefit to the  
USG (in terms of reduced prices for our C-17s); and 2) the  
USG remains open to future participation of additional  
nations, with non-U.S. airframes, in the SAC.  
(If pressed only)  
-- We appreciate that Latvia,s defense budget, while nowhere  
near the size of ours, is still a huge sum for Latvia, but  
part of the responsibility of NATO membership is that each  
nation helps provide the resources and capabilities needed to

execute Alliance missions.

-- It would be very disappointing if this entire multinational effort to provide a strategic NATO capability required for ISAF and other operations came undone because Latvia could not support its relatively small flying hour commitment (and associated cost share).

RICE